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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 30, 2013

CERTIFIED RETURN RECEIPT
7011 0110 0001 3568 4862

Avraham Azoulay
Oren Goldgraber
Bromide Mining LLC
2335 Northwest 107th Avenue, Suite 2M46
Doral, Florida 33172

Subject: Review of Amended Notice and of Reclamation Surety, Bromide Mining LLC., Bromide Basin Mine, S/017/0031, Garfield County, Utah

Dear Messrs. Azoulay and Goldgraber:

The Division of Oil, Gas and Mining has reviewed the referenced amended Notice of Intention to Commence Small Mining Operations (NOI) which was received April 18, 2013, and the following items will need to be addressed before the amended NOI can be determined complete:

1. Please list the registered Utah agent in Section I, item 2.B.
2. Please include a map showing the permit boundaries and the boundaries of the adjacent exploration project.
3. Please also show boundaries between fee and public lands.

Please provide the response as replacement pages to the original NOI using form MR-REV-SMO/EXP available on the Division's web site.

On a separate issue, the last surety estimate for the Bromide Basin mine was done in 2009 and escalated to 2012 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$25,000.00 to \$36,200.00 for a three-year escalation or \$36,900.00 for a five-year escalation. The average reclamation costs are outlined below:

Project Size (Acres)	Surety 3 & 5 year escalation 2013	Comments
1 or fewer acres	\$9,400 (3-year escalation) * \$9,700 (5-year escalation)	Minimum amount required
Additional acres up to 5 total acres	\$5,200/ acre (3-year escalation) \$5,300/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5 acres	\$30,200 (3-year escalation) \$30,900 (5-year escalation)	\$700 difference between 3 and 5 year escalation amount for 5- acres of disturbance.
Portal	\$2,000 each opening \$2,000/portal * 3 protal = \$6,000.00	
Total		\$36,200 for 3-year escalation \$36,900 for 5-year escalation

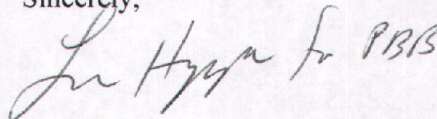
Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of cash. The increase may be in the form of additional cash, or it can be submitted as a certificate of deposit, a letter of credit, or a surety bond either for the increased or the full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the NOI to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801 538-5263.

Please provide the additional surety or perform the reclamation no later than August 1, 2013.

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions concerning this letter.

Sincerely,



Paul B. Baker
Mining Program Manager

PBB: whw: eb

cc: Sue Fivecoat, Hanksville BLM
John Reay, Hanksville BLM

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